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# STATE OF INDIANA

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DEPARTMENT OF LOCAL GOVERNMENT  
FINANCE



INDIANA GOVERNMENT CENTER  
NORTH  
100 NORTH SENATE AVENUE N1058(B)  
INDIANAPOLIS, IN 46204  
PHONE (317) 232-3777  
FAX (317) 232-8779

**TO:** All Railroad Companies

**FROM:** Keilah Heffington, Utility Specialist

**RE:** Information and Instructions for Filing Annual Report (UD-32 & attachments)

**DATE:** January, 2009

Enclosed is one (1) copy of the Annual Report (UD-32 & attachments) to be completed by all railroad companies. Please read all of the instructions before completing the Annual Report. This report is for the tax year 2009.

## **Who Must File**

Any individual, partnership, corporation, or cooperative operating as a railroad company must file the Annual Report UD-32. A railroad company is defined in IC 6-1.1-8-2 as "... a company which owns or operates a steam or electric railroad; a suburban or interurban railroad; a switching or terminal railroad; a railroad station, track, or bridge; or a facility which is part of a railroad system."

## **When to File**

The Annual Report and all other required documents must be filed, by statute, on or before March 1 (IC 6-1.1-8-19); however, the Department of Local Government Finance has granted an automatic extension to April 1, 2009. Extensions beyond the April 3 deadline will be granted only in the most extraordinary of circumstances and must be made in writing at least five (5) days prior to the due date. No extensions will be granted past May 1, 2009. *Failure to file the Annual Report by the due date will result in a penalty of \$100 a day for every day the report is late (IC 6-1.1-8-20).*

## **Where to File**

The Annual Report and all other required material should be mailed to:

Department of Local Government Finance (DLGF)  
Utility Specialist  
100 North Senate Ave., Room N-1058  
Indianapolis, IN 46204

Phone: (317) 232-3756      Fax: (317) 232-8779

**What to File**

One copy of each of the following must be filed:

Annual Report prescribed by DLGF, including Schedules A through F.

Form R-1 prescribed by the ICC (Class I's only).

Annual Stockholders Report and/or certified financial statements

**Tentative Assessment and Appeal Rights**

An Order notifying each railroad company of its tentative assessment will be mailed on or before June 1 (IC 6-1.1-8-28).

Within ten (10) days after the taxpayer receives notice of the DLGF's tentative assessment, the taxpayer may:

- (1) File with the DLGF its objections to the tentative assessment; and
- (2) Request that the DLGF hold a preliminary conference on the tentative assessment (IC 6-1.1-8-28(b)).

Any appeal should be made in writing and state the nature of the objections.

If the taxpayer does not file a written appeal within ten (10) days, the tentative assessment is final; however, the assessment may still be appealed to the Board of Tax Review (IC 6-1.1-8-28(b)). The taxpayer must initiate the appeal in writing with the Board of Tax Review within forty-five (45) days of the date of the tentative notice of the DLGF's assessment notice. (IC 6-1.1-8-30)

If the taxpayer files an appeal and a request for a preliminary conference on the tentative assessment within the ten (10) days with the DLGF, the DLGF may hold a preliminary conference on the tentative assessment at a time and place fixed by the DLGF. After the conference, the DLGF will make a final assessment of the taxpayer's distributable property and shall notify the taxpayer by June 30. (IC 6-1.1-8-29) The taxpayer must initiate a written appeal to the Board of Tax Review within forty-five (45) days after the date of the notice of the DLGF's assessment notice, if the taxpayer does not agree with the final assessment. (IC 6-1.1-8-30)

**INSTRUCTIONS FOR COMPLETING THE ANNUAL REPORT****General Instructions**

All of the information requested is necessary for the DLGF to determine the taxpayer's assessed value and to apportion that value among the various taxing districts in the state. All questions, statements, and schedules must be completed. All of the schedules must be completed properly. If there is nothing to report, enter "N/A".

Unless otherwise indicated, all financial amounts should be federal tax basis and rounded to the nearest whole number. All amounts should be reported as of year-end December 31. The track mileage amounts should be reported to two (2) decimal places.

All schedules may be copied and additional forms are available upon request and are on the DLGF Web site.

A computer prepared worksheet may be substituted for any prescribed form or schedule. The substitute worksheet must contain all of the information set forth in the prescribed form or schedule and properly identify the form or schedule being substituted.

An Annual Report will not be accepted if it is incomplete, illegible or displays information in a manner other than that prescribed. Annual Reports that are rejected may be subject to a late filing penalty if not corrected and resubmitted by the filing deadline.

If you have any information that should be considered, or would assist the Board in determining the assessed value of the taxpayer, it should be submitted with the Annual Report.

### **\* INSTRUCTIONS FOR INDIVIDUAL FORMS AND SCHEDULES \***

#### **SUPPLEMENTAL INFORMATION**

##### **Miles of Road Operated**

Side track includes all passing track, crossovers, turnouts, switching track and yard track.

##### **Operating Statistics**

A Ton-Mile is the movement of a ton a distance of one mile.

Revenues shall be the total revenues from railroad operations, both within Indiana and outside Indiana.

Revenues shall be assigned as follows: (1) Revenues from the sale, rental, or lease of real property shall be assigned to the state in which the real property is located; (2) Revenues from the rental, lease, or licensing the use of tangible personal property shall be assigned to the state in which the tangible personal property is located. If the property was within two or more states during the year, then the revenues attributable to the period or the extent the property was used in a state are considered revenues assignable to that state; (3) Revenues from intangible personal property are assignable to the state of the taxpayer's domicile, unless such property has acquired a business situs elsewhere; and (4) Revenues from the performance of services are assignable to the state in which the services were performed. If such services are performed partly within two or more states, a portion of the revenues from performance of the services shall be attributable to a state based upon the ratio which direct costs incurred in that state bears to the total direct costs of the services.

##### **Railroad Performance Data**

All numbers in this section should be reported as system totals for the year end December 31.

Train Miles is the total miles run by all trains.

A Gross Ton-Mile is the total weight of a train (in tons) moved a distance of one mile.

Train Hours - Road Service is the elapsed time of trains between the time of leaving initial terminals and the time of arrival at final terminals, including train switching and delays on the road, as shown by conductors' train reports or dispatchers' train sheets. They do not include delays at initial or final terminals nor time spent in other service such as a road freight train, which may temporarily set out its train at an intermediate station to perform service as a work train.

Ton Miles Revenue Freight is the number of tons of revenue-producing freight moved one mile in a transportation train.

Ton(s) Revenue Freight is the number of tons of revenue-producing freight.

## **SCHEDULE A - SUMMARY OF SELECTED INFORMATION**

### **Operating Properties**

All of the figures in this section should be the numbers reported for federal tax purposes for the year-end December 31. If the actual amounts are unavailable, please use estimated numbers and indicate such. We may ask to see how the amounts were estimated, so please keep records of the data and method of estimation.

## **SCHEDULE A-1 - PROPERTY LEASED FROM OTHERS**

### **Section 1**

This section is to be used to report property that is being leased from others and is to be assessed to you. If the cost and depreciation amounts are unavailable please indicate with "N/A".

## **SCHEDULE A-2 - PROPERTY LEASED TO OTHERS**

### **Section 1**

This section is to be used to report property that you own that is being leased to others and is to be assessed to you.

### **Section 2**

This section is to be used to report property that you are leasing to others and is to be assessed to the company that is leasing the property.

## **SCHEDULE C - INCOME STATEMENT FOR LAST FIVE YEARS**

Please report the most previous year's amounts in the first column and preceding years in descending order.

## **SCHEDULE D - TRACK DISTRIBUTION**

Please use the taxing district names and district numbers as shown on the Department's Web page, [www.in.gov/dlgr](http://www.in.gov/dlgr), under the tax rates link. Please split out track distribution and operating improvements by reporting lines, and then list taxing district numbers in numerical order, low to

high. Attach as many schedules as needed. The mileage amounts should be provided to the nearest two decimal places. Please attach an additional Schedule D, at the end of the other completed Schedule Ds, which shows the state totals of each type of track. Be sure to list your taxing district numbers in numerical order, low to high. This also will ensure that the counties are in alphabetical order. A check box has been added to this schedule. **Please check this box if no change has been made to the schedule as compared to the prior year's return.**

#### **SCHEDULE E - NON-OPERATING FIXED PROPERTY**

This schedule is to be used to report all of the railroad company's property that is assessed by the local assessor. Again, please use the taxing district names and district numbers as shown on our Web site.

The description of the property should include items such as parcel number, acreage, and type of property (abandoned R/O/W, leased R/O/W, land held for future use, or any structures contained on aforementioned real estate).

A check box has been added to this schedule. Please check this box if no change has been made to the schedule as compared to the prior year's return.

#### **SCHEDULE F - OPERATING FIXED PROPERTY**

This schedule is to be used to report personal property, material & supplies, and the operating improvements that are to be situated to the taxing districts throughout Indiana. Examples of the personal property would be office furniture and fixtures, small tools, office equipment, microwave towers, and yard machinery & equipment.

A check box has been added to this schedule. Please check this box if no change has been made to the schedule as compared to the prior year's return.

The assessed value of the improvements is the value placed upon the property by the DLGF during the last reassessment (2002), or the cost of building the completed improvement. If the improvement does not have a value placed upon it by the DLGF, please indicate such. Please be sure to indicate if the improvement is new.

#### **IMPORTANT INFORMATION CONCERNING SCHEDULES D, E AND F**

It is very important that you use the listing of the taxing district names and numbers available under tax rates on our Web site. We have had problems in the past distributing the assessment to the proper taxing districts because of incorrect numbers and/or missing numbers.

It specifically is requested that before completing Schedules D, E and F you determine from local officials the proper taxing districts in which the property is located. Please include the DLGF Taxing District Number (DLGF #) when completing Schedules D, E and F.

To assist in your determination of DLGF Taxing District Number, a listing of the taxing district

names with their corresponding taxing district number is available from the DLGF's Web site at [www.in.gov/dlgf/](http://www.in.gov/dlgf/) as part of the tax rate page.

## **INFORMATION ON THE INVESTMENT DEDUCTION**

If your company qualifies for an investment deduction, per IC 6-1.1-12.4, you may determine the applicable amount by subtracting the previous year's assessment in a given taxing jurisdiction from the current year's assessment in the same taxing jurisdiction. Please be sure to file form UD-ID with a copy of your form 11A for the current tax year. You also may include a copy of the prior year 11A for the convenience of the local official that will be reviewing your deduction.

If you have further questions or concerns, please feel free to contact the Utility Specialist at (317) 232-3756. You may also e-mail questions to [kheffington@dlgf.in.gov](mailto:kheffington@dlgf.in.gov) or [jwaddell@dlgf.in.gov](mailto:jwaddell@dlgf.in.gov).